

**City of Durham City Council Priorities:
FY 2002-03 Major Initiatives**

During its retreat in January 2002, the City Council adopted four priorities for FY 2002-03: Crime Reduction and Community Safety, Economic Development & Poverty Reduction, Fiscal Responsibility, and Managing Growth. In addition, the City Administration adopted a priority addressing organizational development. Major initiatives related to these priorities included in the FY 2002-03 Budget are outlined below. In addition, selected performance indicators for each of the City Council priorities and the administrative priority are provided. These measures will help the City Council and the Administration track the City's progress in meeting these priorities over the next year.

Council Priority: Crime Reduction & Community Safety

Goal: To improve the quality of life and image of Durham by reducing crime and enhancing the feeling of safety throughout the community.

| Initiative | Purpose | Responsible Department |
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| Safe Neighborhoods Initiative | | |
| Parents Against Gangs Initiative | To collaborate with other agencies and community organizations and address prevention, intervention and suppression of gang activity. | Police |
| Police Resource Allocation | To conduct a comprehensive review of departmental personnel resources as well as an executive level review for any necessary restructuring. | Police |
| Hispanic Outreach Initiative | To enhance crime prevention efforts and reduce crime in the City's Latino community. | Police/Human Relations |
| ATF Gun Reduction Initiative | To implement a new unit using existing personnel resources, whose sole responsibility, is to reduce the number of firearms on our streets. | Police |
| Code Enforcement Strategy | To create and maintain a vacant/ abandoned structure database so that citizens will be able to view the list of structures in their district and obtain the status of the structure in the code enforcement process. | Housing |
| Emergency Preparedness & Response | | |
| Table Top Exercise | To determine our ability to respond to major emergencies, both locally and regionally, while providing staff with training opportunities. | Emergency Management |
| Emergency Medical Dispatch | To exert a positive influence in the following areas: The quality of patient care, the performance of prehospital EMS providers, the | Communications |

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| | cost effective allocation of EMS equipment, the professionalism of individual Emergency Medical Dispatchers, and the community's EMS experience. | |
| Interjurisdictional Emergency Response Plan | To develop an inter-jurisdictional Emergency Response System, which places qualified emergency responders on the scene of an incident in the most timely, effective, and efficient manner. | Fire |
| Water Vulnerability Assessment | To improve the safety and security of the nation's water supplies following the events of September 11, 2001. | Environmental Resources |
| Disaster Recovery Plan | To develop a Disaster Recovery Plan, which addresses interim measures to recover IT services after an emergency or system disruption. | Technology Solutions |

Council Priority: Economic Development & Poverty Reduction

Goal: To improve the economic vitality of the City of Durham and its residents through job creation, redevelopment activities and access to economic opportunities.

| Initiative | Purpose | Responsible Department |
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| Downtown Revitalization | | |
| Performing Arts Theater Feasibility Study | To determine the feasibility of constructing and operating a performing arts theater in downtown Durham | Economic Development |
| American Tobacco Development Agreement | To negotiate for City Council consideration a development agreement with Durham County and Capital Broadcasting Corp. for the redevelopment of the American Tobacco Complex based on the adopted "Business Deal Points" document. | City Manager's Office |
| Liggett Development Agreement | To negotiate for City Council consideration a development agreement with The Liggett Group for the redevelopment of the Liggett and Myers Tobacco Complex based on the adopted "Business Deal Points" document. | Economic Development |
| Durham Centre (Renaissance) Development Agreement | To develop for City Council consideration a development agreement with Octagon for the construction of a second tower at the Durham Centre. | Economic Development |

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| Multi-Modal Transportation Center | To construct a Multi-Modal facility, which would house DATA buses, Greyhound, TTA and Amtrak in one, inter-connecting facility. | Property & Facilities Management, Public Works |
| Parrish Street Planning | To revitalize the Parrish Street area in a way that commemorates the significant people, places and events of commercial development including "Black Wall Street". | Economic Development |
| Implementation of Pilot Code Program for Rehabilitation of Existing Buildings | To implement a pilot program wherein code requirements for renovation of existing buildings gradually increase as a project's scope of work increases. | Inspections |
| Downtown Infrastructure | | |
| Downtown Street Alignment | To provide the necessary street construction and improvements and streetscape to enhance the infrastructure and appearance of the downtown area as described in the Downtown Master Plan. | Public Works |
| Downtown Streetscape | To provide streetscape improvement in the downtown area that will result in better traffic flows and more pleasing aesthetics. | Economic Development |
| Downtown Beautification | To improve the aesthetic beauty of the downtown area by improving department coordination of City resources assigned to maintain the appearance of the downtown area. | Property & Facilities Management, Public Works, Solid Waste |
| Workforce Development Audit | To analyze the effectiveness of the current Employment and Training Programs and the Workforce Development System in the City of Durham. | Economic Development |
| Small Business Initiative: Loan Committee | To encourage economic growth through small business and community development. | Housing |
| "Connecting Communities" | To widen access/availability of Workforce Development information to the citizens of Durham and to enhance satellite sites currently up and running. | Economic Development, Housing, Parks |
| USA Baseball | To provide new Headquarters for the USA Baseball organization including offices and clubhouse facilities at the Durham Bulls Athletic Park. | Property & Facilities Management |
| Review & Update MWBE Ordinance | To review and update the city's current M/WBE Ordinance, which is due to sunset on December 31, 2002. | Equal Opportunity/Equity Assurance |

Council Priority: Managing Growth

Goal: To balance demands for infrastructure and Services that result from population growth, while maintaining and enhancing the quality of life and recognizing resource limitations.

| Initiative | Purpose | Responsible Department |
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| NECD Strategic Planning (including Barnes Avenue and HOPE VI) | To create a community-driven Master Plan for North East Central Durham, coordinate HOPE VI planning efforts and leverage City, HOPE VI and private funding; create Redevelopment Plans to implement strategic revitalization initiatives and a Master Plan for the NECD area. | Housing |
| Housing Impact Policy | To guide strategic decisions on the distribution and location of affordable housing in the City of Durham. | Planning, Housing |
| Comprehensive Plan Development | To guide land use and public facility decisions by establishing a pattern of land uses and public facilities within Durham City and County, clarifying basic governmental policies related to development, designating sufficient land area to accommodate projected population growth and considering the costs of meeting the demands of that growth while seeking to maintain and enhance the quality of life. | Planning |
| Unified Development Ordinance Development | To review and update City and County development regulations, consistent with the Smart Growth Audit completed in 2000. | Planning |
| Water Conservation Strategy | To propose, adopt and integrate effective water conservation/efficiency strategies into the development process, thereby extending the useful life of existing water supplies and deferring the need for new water sources. | Planning/Environmental Resources/Public Works/Inspections |
| Triangle Area Public Transportation Coordination Project | To develop a seamless public transit system that will allow transit passengers to travel with ease throughout the area on a system that is safe, convenient and reliable. | Public Works |
| Northern Durham Parkway - Process | To identify transportation improvement in northern and eastern Durham to be included in the Long Range Transportation Plan for the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization; to work with the Durham legislative delegation to amend the Highway Trust Fund to provide funding for some of these improvements. | Public Works |

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| ITRE Pavement Condition Survey | To update the 1999 Pavement Condition Survey prepared by ITRE (Institute for Transportation Research and Education) by performing a survey of the 650+ miles of roads within the City's street system. | Public Works |
| Hispanic Outreach Initiative | To create partners within City Government and the Hispanic community in order to empower them. | Human Relations, etc. |
| Walltown Recreation Center Expansion Feasibility Study | To develop a feasibility study in order to determine location of a new recreation facility in the Walltown community and to determine the program elements needed in the proposed recreation center. | Parks |
| Parks Programming Assessment | To assess Parks and Recreation programming to measure program effectiveness, participant satisfaction, program quality, and determine future trends. | Parks |

Council Priority: Fiscal Responsibility

Goal: To efficiently and effectively manage the city's financial resources to provide services to the citizens.

| Initiative | Purpose | Responsible Department |
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| Audit Risk Model Implementation | To increase the probability that activities that pose the greatest liability and risk to the City are identified and prioritized. | Audit Services |
| Deloitte & Touche Loan Programs Action Plan Implementation | To implement loan program and accounting process improvements for all loan programs administered by the Housing and Community Development and Finance Departments. | Housing/Finance |
| Project Management | To assess the effectiveness of the Property & Facilities Management Department's Project Management Division and identify opportunities for process improvement, increased efficiency, enhanced accountability and revised management controls to allow for successful project delivery. | Property and Facilities Management |
| Implementation of new purchasing procedures | To re-engineer the purchasing procedures and methods to improve efficiency, convenience and compliance of the City's purchasing function. | Finance |

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| Property Management Strategy | To develop a clearly defined policy will be developed to record, track and monitor maintenance activities for all City-owned properties. | Property and Facilities Management |
| Non-City Agency Restructuring | To revise the process for awarding contracts in the non-city agency process in order to make sure funds are distributed in a manner consistent with City priorities. Ensure that Non-City Agencies are appropriately using the funds distributed to them. | Budget |
| Water/Sewer Rate Study | To reexamine water and sewer utility rates and fees to assure appropriate recovery of operating and infrastructure costs. | Budget/Environmental Resources/Public Works/Finance |
| County Wastewater Plan | To evaluate the cost of wastewater treatment services as currently contracted with the County of Durham, the County's long-term sewer pricing strategy, and identify alternatives for treatment services such as pumping to the City's South Durham Water Reclamation Facility. | Budget/Environmental Resources/Public Works/Finance |
| Fiscal Management & Reporting | To monitor the financial health of the City by providing timely reports and financial benchmarks. | Budget, Finance |
| Managed Competition | To assess the feasibility of implementing Managed Competition into Durham City Government. | Budget |

Administration Priority: Organizational Capacity

Goal: To create an environment that supports employees' efforts to respond to customer needs by making continuous improvements to our processes, services and infrastructure.

| Initiative | Purpose | Responsible Department |
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| Citizen – Customer Service Plan & System | To establish a central source of information for all citizen needs. | Public Affairs |
| Citizen Survey | To assess Durham residents satisfaction with various services provided by the City of Durham Government. | Budget |
| Legislative Program | To work with the City Attorney's office and the City Council Legislative Committee to draft a legislative program to be submitted to the members of the General Assembly delegation representing Durham. | City Manager's Office |
| Pay for Performance | To begin the process of implementing a pay for performance system for City employees. | Human Resources |

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| Organizational Climate Survey | To establish a benchmark of information concerning work environment, supervision, morale of City employees. | Human Resources |
| Grievance Procedure | To update and revise the grievance procedure so that it is effective, efficient, and fair. | Human Resources |
| Employee Development | To enhance existing training and development for all employees by creating new training programs at all levels of the organization. | Human Resources |
| Cemeteries Operations Plan | To improve cemeteries operations by examining and re-aligning existing resources, establishing clearly defined maintenance standards, implementing a performance monitoring system, and by implementing a quality assurance monitoring program. | Property and Facilities Management |
| Enterprise Resource Planning (software) | To complete the pre-implementation phase, implementing business process improvements recommended by the consultant study and developing a RFP for system acquisition and implementation. | Finance/Technology Solutions/Human Resources |

BUDGET AND FINANCIAL POLICIES

The City of Durham's budget and financial policies serve as the basis for developing the annual operating budget and the six-year Capital Improvement Program. The policies also serve as the basis for the City's overall financial management.

The Local Government Budget and Fiscal Control Act governs much of the activities that occur in budget preparation and execution. The City has placed other policies on itself voluntarily in order to address issues that are specific to Durham. Both types of policies are noted below.

Operating Budget Policies

State Statutes:

- The City of Durham will operate under an annual balanced budget ordinance in which the sum of estimated net revenues and appropriated fund balance is equal to appropriations.
- By State Statute, the annual budget for all City funds is prepared using the modified accrual basis of accounting. This basis of accounting recognizes revenues either when they are received in cash (such as licenses or fines) or when the collection of the amount can be reasonably estimated to be received in the near future (such as property taxes). Expenditures in a modified accrual system are generally recognized in the period in which goods or services are received or when a liability is incurred.
- The General Fund and the Civic Center Fund have officially adopted annual budgets. The appropriations in the budget ordinance for the various operating funds are on a functional basis. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for the remaining funds, they do have legally adopted balanced budgets.
- The City may establish and operate one or more internal service funds. At the same time that it adopts the budget ordinance, the City Council must approve a balanced financial plan for each internal service fund. A financial plan is balanced when estimated expenditures do not exceed estimated revenue.
- All grants received from the Federal or State government for operating or capital purposes will be recognized in separate grant project ordinances. A balanced grant project ordinance must be adopted prior to beginning the project. A grant project ordinance is balanced when estimated expenditures do not exceed estimated revenue. Information on each grant project ordinance is included in the Annual Budget.
- The City's budget ordinance will cover a fiscal year beginning July 1 and ending June 30. In order to have the budget ordinance approved by July 1, the Preliminary Budget, together with a budget message, will be submitted to the City Council no later than June 1.
- A public hearing will be held on the Preliminary Budget prior to adoption of the budget ordinance. Notice of this public hearing will be published in the Herald-Sun. This notice will also state that the Preliminary Budget has been submitted to the City Council and that a copy of the budget is available for review in the City Clerk's office.

City Policies:

- The City's budget will be presented in a program budget format that includes program summaries, current year accomplishments, proposed year budgetary changes, proposed strategies to be employed, and performance measures for each major program or service.
- The City's budget will include five-year revenue and appropriation projections for the General Fund and all enterprise funds. These projections integrate the current financial picture with the outlook over the next five years.
- The City Manager has the authority to transfer funds within a departmental budget or within a functional category as set in the budget ordinance (i.e. from Fire to Police, within the same fund). The Budget and Management Services Department staff reviews all budget transfer requests and authorizes all transfers at or below \$5,000. The City Manager or Assistant City Manager must authorize all transfers above \$5,000. All administrative budget transfers are documented by the Budget and Management Services Department and tracked in the City's general ledger.
- A budget ordinance amendment is necessary whenever a change is required in the original Budget Ordinance. Examples of such changes include changes to fund total or changes between functional category (i.e., moving funds from the Nondepartmental category to the Governance category in the General Fund). Any amendment must ensure that revenues and appropriations remain balanced. Budget ordinance amendments must be approved by the City Council. All budget ordinance amendments are documented by the City Clerk and the Budget and Management Services Department and tracked in the City's general ledger.

Fund Balance Levels

(City Policy, by resolution adopted June 21, 1999)

General Fund

- The City Council deems it desirable to achieve an undesignated fund balance level of 15% of adjusted appropriations. "Adjusted appropriations" shall equal total appropriations minus appropriations for debt service and transfers to other funds.
- Undesignated fund balance as a percentage of adjusted appropriations shall be no less than 12% of General Fund adjusted appropriations.
- Any fund balance between 12% and 15% of adjusted General Fund appropriations may be appropriated by the City Council, at its discretion, provided that the level of undesignated fund balance is not reduced below 12%.
- To limit the use of fund balance in the General Fund in any two-year budget preparation cycle, the maximum appropriation from fund balance shall be equivalent to a total of four cents on the prevailing tax rate over the two-year planning period.

- Any fund balance beyond 15% of General Fund adjusted appropriations shall be transferred to the Capital Projects Fund. This transfer shall be made upon completion of the annual financial audit. It is the intent of the City Council to effect this transfer through an amendment to the subsequent year's Budget Ordinance

For FY 2002-03, please note that the City is currently below its 12% threshold due to the withholding of revenues by the State of North Carolina.

Capital Improvement Program

State Statutes

- The City will appropriate all funds for capital projects with a capital project ordinance in accordance with State Statutes.

City Policies

- The Capital Improvement Program (CIP) is a statement of the City of Durham's policy regarding long-range physical development. This plan is developed for a six-year period and is updated and revised annually. To be included in the CIP, the project must require a total expenditure of \$100,000 and have a useful life of at least ten years.
- In all likelihood, the completion of capital projects will impact the department's operating budget as projects are completed and require maintenance and upkeep. Consequently, the impacts of capital projects on the annual operating budget are estimated and noted in the CIP.
- It is essential that CIP project proposals support, rather than contradict, plans and policies previously adopted by the City Council in order to coordinate and direct the physical development of the City. In evaluating each CIP proposal, particular attention is given to conformity of proposals with the Comprehensive Plan, the City's broadest overall policy and planning tool for managing growth.
- The CIP assumes the use of installment sales financing exclusively for either facilities that house City functions or facilities that are joint private-public ventures. This assumption is consistent with the stated goals of maintaining the existing infrastructure and providing City services in an effective and efficient manner.
- The CIP assumes the dedication of investment income toward general capital projects. By City Council resolution, all investment income derived by the General and Capital Projects Funds is dedicated to the Capital Projects Fund. This allows the City the flexibility to accelerate or decelerate the spending schedules for capital projects funded on a pay-as-you-go basis depending on the rate of return received for the City's pooled cash. **(For FY 2002-03, the City has suspended its pay-as-you-go capital investment due to the withholding of revenues by the State of North Carolina. The City anticipates restoring this appropriation for FY 2003-04.)**

- The City will use revenue bonds and pay-as-you-go financing for water and sewer capital projects. The City will plan the use of water and sewer operating fund appropriations to capital projects on a multi-year basis to ensure that any future rate increases will be as level as possible through the planning period.